

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
300 Capitol Mall
Sacramento, CA 95825**

File No. RH 3032089; 3032099, 3031215

March 11, 2004

**NOTICE OF WORKSHOP
REGARDING PROPOSED AMENDMENTS TO AUTOMOBILE INSURANCE
FRAUD AND COMPLIANCE ASSESSMENT REGULATIONS**

Pursuant to Government Code section 11346.45, the California Insurance Commissioner, John Garamendi, requests your participation a public workshop regarding proposed amendments to title 10, California Code of Regulations, sections 2698.60 et seq., and 2698.70 et seq., pertaining to the assessment on insurance policies of vehicles to fund programs for the investigation and prosecution of automobile insurance fraud and for an automobile compliance program.

DATE, LOCATION AND TIME

The workshop will take place at the following dates, times, and places:

Date: April 9, 2004
Time: 9:30 – 11:30 A.M.
Place: 300 Capitol Mall
13th Floor (Conference Room)
Sacramento, CA 95814

BACKGROUND

California Insurance Code Section 1872.8, 1872.81 and 1874.8 require each insurer doing business in this state to pay an annual fee, to be determined by the Commissioner, but not exceeding \$1.00, \$.30 and \$.50 for each vehicle insured under an insurance policy issue in this state. Regulations interpreting and implementing these provisions are set forth at title 10, California Code of Regulations sections 2698.60 et seq. and 2698.70 et seq.

Specifically, the Commissioner is seeks comments on a proposed amendment to the above-referenced regulations (and more specifically sections 2698.62, 2698.68 and 2698.71). These amendments would delete the provisions requiring or permitting the calculation and payment of these assessments on a pro-rata quarterly basis, as well as other amendments as deemed necessary.

PROCEDURE

This meeting is not part of the formal rulemaking process that will accompany any amendments to the existing regulations. This meeting is an opportunity to discuss and gather information regarding the proposed amendment to the referenced regulations.

Participation in these pre-notice discussions will be in addition to, and not in substitution for, any participation in the formal rulemaking process. This invitation to a pre-notice public discussion does not constitute Notice of Proposed Action under the Administrative Procedure Act. Consequently, comments (oral or written) received in connection with these pre-notice discussions will not be included in the rulemaking file, which will not be opened until the time formal notice is issued. Similarly, the Department is not required to respond to comments received before that time. For this reason, if you wish to have comments included in the rulemaking file, or to require the Department to respond to them as part of the process by which it adopts amendments to the referenced regulations, you must present your comments during the formal public comment period according to the procedures outlined in the Notice of Proposed Action at the time that document is issued, regardless of whether the comments have been made in connection with these pre-notice public discussions. The Commissioner welcomes your participation in these discussions, and hopes that the regulations that subsequently will be proposed can benefit from your input.

To the extent necessary, the Commissioner may limit an individual's time for presenting comments, as warranted. For those who would like to submit prepared comments, please send them at least two business days prior to the date of the meeting is scheduled.

Please R.S.V.P. and provide any written comments by mail, facsimile or e-mail to:

Ms. Debra L. Mack
Executive Assistant to the Deputy Commissioner
California Department of Insurance
Administration and Licensing Services Branch
300 Capitol Mall, Suite 1600
Sacramento, CA 95814
Telephone: (916) 492-3334
Fax: (916) 327-3482
E-mail: mackd@insurance.ca.gov

Dated: March 11, 2004

JOHN GARAMENDI
Insurance Commissioner

By _____
Wesley E. Kennedy
Senior Staff Counsel